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S E C R E T SECTION 01 OF 02 CAIRO 001878

NOFORN SIPDIS

DEPARTMENT FOR NEA/FO AND NEA/ELA NSC FOR PASCUAL OSD FOR AGUIRRE

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TAGS: PARM PREL KPAL PTER MOPS MARR IS EG SUBJECT: STRATEGY FOR THE GAZA BORDER

REF: A. CAIRO 1542 (NOTAL)

¶B. CAIRO 1516
¶C. CAIRO 1436

1D. CAIRO 1029

Classified By: Ambassador Margaret Scobey per 1.4 (b) and (d)

- 11. (S/NF) Summary: Since the Egyptian-brokered "tahdiya" ("calming") between Israel and Palestinian groups in Gaza took effect June 19, rocket attacks from Gaza have decreased, and Israeli public pressure on the GOE to stop smuggling via tunnels into Gaza has relaxed. However, smuggling remains an important security issue. We are working closely with Egypt to develop a comprehensive counter-smuggling strategy. Assisting the GOE with deployment of a U.S.-supplied counter-tunneling system on the Egypt-Gaza border provides Egypt with an opportunity to more fully exploit tunnels and break up smuggling rings. As Egypt moves forward into a new phase of counter-smuggling efforts, we will continue our cooperation in a variety of areas: helping interdict smuggling on Egypt's western, southern, and eastern borders; economic development in the Sinai; border security assistance; and de-mining. End summary.
- 12. (S) The U.S. Army Corps of Engineers (USACE) conducted site surveys on the Gaza Border in June and at a training site in Giza, near Cairo, to support the GOE in deploying a U.S.-supplied seismic-acoustic counter-tunneling system (ref B), aiming to deploy this equipment on the Gaza border by early 2009. The GOE's agreement to accept this equipment after initial resistance in 2007 is a sign of increased bilateral cooperation on border security, and the new technology, which can detect the sounds of tunnel digging and movement through tunnels, should improve GOE interdiction efforts. The Egyptian-brokered tahdiya ("calming") that took effect June 19 has reduced tensions, and Israel's opening of some border crossings for supplies has slightly alleviated the humanitarian pressure on Gaza. Yet, economic incentives for smuggling remain on both sides of the Gaza border, and Hamas' re-arming efforts will continue to drive the smuggling of weapons and explosives into Gaza, often through the same tunnels used for smuggling commercial items and contraband.
- 13. (S) Destroying tunnels on the Gaza border is not as cut and dried as it might appear. For example, the GOE believes that exploding the main tunnels under the border would result in unacceptable damage to housing in both Egyptian and Palestinian Rafah. Moreover, Egypt realizes that Hamas retains the capacity to repeat its January 2008 border breach, despite Egyptian steps at deterrence, such as the GOE's recently completed three-meter high stone wall that now extends along the length of the 14 km border with Gaza.

Shutting down tunnel smuggling could place added economic pressure on Gaza and increase the risk of another breach.

- ¶4. (S/NF) We plan to engage the GOE on a number of short and long-term steps the Egyptians can take to prevent smuggling, including: tunnel exploitation; interdicting smugglers on Egypt's western, southern and eastern borders; economic development in the Sinai; border security assistance; and de-mining. The following is a list of steps we are taking to strengthen our dialogue with the GOE as it addresses smuggling into and out of Gaza.
- -- Tunnel Exploitation: Current GOE counter-tunneling strategy focuses on closing tunnel openings. A more effective GOE strategy would be to exploit the tunnels by using knowledge of the tunnel routes to catch smugglers red-handed and break up smuggling rings. We are working with the GOE to understand the origins of smuggled munitions and explosives seized in the tunnels. We will continue working-level discussions with the GOE on this issue, and the Ambassador will continue to raise tunnel exploitation with the Defense Minister and EGIS Chief Soliman. (Note: As noted in Cairo 1542, Soliman told the Ambassador that he knew that Egypt needed to close the main tunnels down. End note.) We will work with the GOE on using the new USACE counter-tunneling equipment effectively to map tunnel routes and catch smugglers when they arrive at the tunnel openings to deliver their goods.
- --Engagement on Smuggling Routes: Although interdicting the Rafah tunnels is essential, it is still tantamount to playing

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- "goal-line defense." Disrupting the smuggling routes in southern and eastern Sinai, from the Suez Canal crossings, the western desert, and the Sudanese border will be key to effectively decreasing smuggling into Gaza. We will open a dialogue with the Interior Minister on MOI's role in stopping Sinai smuggling further away from Gaza.
- --Border Security Assistance: We are initiating a comprehensive strategy to offer the GOE assistance on all elements of border security. However, the GOE has been resistant thus far to admitting its need for assistance. We have increased our engagement with the border guard forces and accompanied BGF officers on a recent trip to Sandia labs and a U.S. Border Patrol Headquarters in Texas. We are urging the GOE to establish a relationship with the U.S. Border Cooperation Monitoring Center annex in Jordan. We plan to begin a dialogue with the Ministry of Defense on how to shore up security on the Sudanese and Libyan borders by increasing BGFs and patrols, as well as possibly using FMF to upgrade BGF capabilities. We also want to visit the southern and western borders to assess current GOE capabilities first-hand.
- --Economic Development in the Sinai: Economic deprivation is a prime motivating factor in Bedouin smuggling between the Sinai and Gaza. USAID is supporting the North Sinai Businessmen's Association micro-finance program, headquartered in Al-Arish, with a branch in Sheikh Zweida, approximately 10 km west of Rafah. The Sheikh Zweida branch has micro-finance borrowers in Rafah. USAID is also managing a \$10 million project in central Sinai to develop infrastructure, community centers, schools, and eco-tourism. We will also continue our dialogue with the GOE to encourage creating an economic stimulus program for the Sinai.
- --De-mining/Munitions Collection: Every year, Bedouin smugglers uncover buried munitions caches and mines in the Sinai dating to the Egyptian-Israeli wars. The GOE currently focuses its de-mining efforts in areas identified for oil exploration and resort development. We plan to open a dialogue with the MOD on expanding these efforts throughout the Sinai, possibly using FMF money.

¶5. (C) Maintaining Humanitarian Flows into Gaza: The shortage of goods in Gaza due to the Israeli embargo has stimulated a commercial smuggling network that arms smugglers have exploited. The USG should encourage Israel to continue to allow humanitarian food and fuel shipments to enter Gaza, and to increase these shipments consistent with civilian needs in Gaza. Increased humanitarian shipments will be especially important as increased smuggling interdiction puts added economic pressure on Gaza and raises the risk of another Hamas breach. SCOBEY